

## **Six Steps to Develop a Meaningful Community Health Needs Assessment (Part 2 of a Two-Part Series)**

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The Patient Protection and Affordable Care Act (PPACA) and its companion tax code require tax exempt healthcare organizations to complete a Community Health Needs Assessment (CHNA). In Part 1 of this series, we introduced six steps to develop a meaningful CHNA:

1. Develop the Organization's CHNA Team;
2. Utilize IRS Notice 2011-052 to Develop the Broad Framework for the CHNA;
3. Identify Community Stakeholders to Participate in the CHNA;
4. Complete the Community Health Needs Assessment;
5. Summarize and Report Findings from the Needs Assessment; and,
6. Develop an Implementation Strategy.

Steps 1-3 were addressed in the prior article. In this article, we address the remaining three steps.

### Step #4 – Complete the CHNA

The hospital should thoroughly document its CHNA process in a written report that includes at least the following information:

- i. A description of the community served by the hospital and how it was determined.
- ii. A description of the processes and methods used to conduct the CHNA, including a description of the sources and dates of the data and other information and the analytical methods applied to identify community health needs.
- iii. A description of how the hospital gathered input from persons who represent the broad interests of the community served.
- iv. A prioritized description of all the community health needs identified as well as a description of the process and criteria used in prioritizing such health needs.
- v. A description of the existing healthcare facilities and other resources within the community available to meet the identified needs.

The following steps are necessary for successful completion of the CHNA.

### *Define the Community the Hospital Serves*

The first task is to define the community served by the hospital facility. IRS guidelines give hospitals wide latitude by stating that, "a hospital may use its resources to take into account all the relevant facts and circumstances in defining the community a hospital serves." For marketers and planners, this statement is relevant in terms of the traditional geographic boundaries chosen for community definition (e.g., ZIP Code, county, MSA), as well as broader definitions based on target populations (e.g., children, women, aged) or the facility's principal

functions (e.g., focus on a particular specialty area or targeted disease). When defining the community served, keep in mind that the data analyses is more meaningful if the community geographic or target population definition corresponds to widely available demographic data. Even if you focus on target populations or disease as the facility's community, you will still need to utilize some sort of geographic definition for the community. A good source of information can be found at [www.countyhealthrankings.org](http://www.countyhealthrankings.org), an aggregator of county-level data that is free to the public. To research non-county level geographic areas for lifestyle or health behaviors data, there are proprietary companies that provide market research to the healthcare industry.

For sole county providers, the community definition is the home county with contiguous counties potentially included, especially if there is no hospital facility in the contiguous counties. For hospital facilities located in major metropolitan areas, consider long-term implications when broadly defining your community because your organization will ultimately be held accountable for not only defining the health needs of that community, but of prioritizing and addressing the identified needs.

#### Data to Utilize in Profiling the Community

Once the CHNA community is defined, available demographic statistics such as age, gender, race and ethnicity, marital status, education, number of people in household, and primary language, among other variables, should comprise the community demographic profile. Overlaying detailed data on chronic conditions (e.g., diabetes, cardiovascular disease) and lifestyle health behaviors (e.g., alcohol use, diet and exercise, sexual activity, tobacco use) with the community's demographic and socioeconomic profiles creates a comprehensive foundation for understanding your community's health needs.

#### Input from Community Stakeholders

Beyond collecting community demographic data and trends, the hospital will need to embrace community health organizations and agencies (e.g., public health agencies, area agencies on aging) and other community stakeholders to gather information about the health needs of the community from the perspective of informed individuals and organizations.

Your organization's philosophy regarding community input will drive the method of gathering information for the CHNA process. For example, will you have the time and resources necessary to meet directly with *community members* in focus group settings? Or will your organization determine that meeting with *community group representatives and/or leaders* will provide sufficient feedback on the health needs of the CHNA community? Regardless of the method of gathering community input, it is important to provide the facilitator(s) with a list of key topics to cover to ensure consistency between meetings and enable you to capture themes emerging from the qualitative research.

Additionally, you will need to develop a questionnaire for the community members or group representatives to complete so that your organization can profile the demographics of

community members providing input into the CHNA. The community groups providing input will be, in part, derived from the demographic profiles of the community that emerged in the quantitative data analyses. Key variables to include in the questionnaire for community input participants include:

- Gender
- Ethnicity
- Race
- Age (by cohort)
- Household Income (by designated levels)
- Education level
- City
- ZIP Code
- Primary language spoken at home
- Chronic conditions from which to select

A final step in completing the CHNA is to prioritize the health needs of the community. This step, while critically important because it leads to the Implementation Strategy, will vary depending on your organization's approach to the CHNA. Regardless of whether you decide on a data-driven approach or collaborative approach in prioritizing needs in conjunction with community agencies, be sure to prioritize the community health needs in your CHNA.

#### Step #5 – Summarize and Report Findings from the Needs Assessment

The CHNA must be made widely available to the public. Ways to ensure that your organization meets this requirement may include posting the CHNA on the hospital's website; presentations of findings to your Board; presentations with key stakeholders' Boards; and, conducting community forums with community partners.

The hospital must also report its CHNA findings and its efforts to meet the identified community health needs on its annual Form 990 (Schedule H). You will need to ensure that your organization's Finance personnel have the information needed to complete Form 990 Schedule H. Coordinating the CHNA process with Finance is imperative and should be one of the goals of the CHNA plan.

#### Step #6 – Develop an Implementation Strategy

A hospital organization only meets the CHNA requirements of IRC Section 501(r) after it has adopted an Implementation Strategy (IS). The Implementation Strategy must be specific to each hospital facility in a multi-hospital facility organization. While you may be able to utilize data

gleaned from the CHNA to fulfill the community health assessment portion for more than one facility, you must develop a separate IS for each hospital facility.

A compliant Implementation Strategy will be a written plan developed from a well-documented community assessment process that addresses each of the identified community health needs and includes measurements and/or key milestones for the hospital. If there are health needs which your organization does not intend to meet or is unable to meet, you must explain why the hospital facility does not intend to meet the identified health need. This is a good place in the CHNA to describe existing healthcare facilities and other resources within the community available to meet the needs identified in the CHNA.

Lastly, the failure to complete a CHNA is not a viable option for a nonprofit hospital. Noncompliance can be costly and result in an excise tax of no less than \$50,000 per hospital for failing to meet the CHNA requirements and potential loss of tax-exemption status for the nonprofit organization. So, if you haven't started working on your CHNA, get started soon.